



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-12-18 (2)

Date: December 18, 2013
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Fiscal Year 2014 Agency Budget

This resolution would adopt THA's budget for 2014. The details are set forth in the attachments.

SOME BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2014. Each year THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board provided direction for writing this budget at its October meeting. I recounted those directions in my October 26th email to all staff and to the Board. The Board provided further direction at its November meeting. At its December 6th budget study session, the Board indicated its approval of the budget that staff now submits. Here are some of its notable features:

- As the Board directed, we have drafted essentially two budgets. One presumes on "flat funding" from our 2013 pre-sequester allocation from HUD. The other provides a hierarchical list of "sequester" cuts totaling \$3 million should the 2014 scheduled "sequester" cuts occur.
- These budgets account for our strategic objectives.
- The flat line budget fits recurring income within recurring expenses.
- That was harder to do with the "sequester" budget. To cover \$3 million worth of cuts we used a combination of the following:

- ~ *Cutting recurring expenses* Much of these cuts result from the Board's direction that we not try to cover these cuts with mass layoffs or large scale curtailment of our operations, which would cripple the agency. Our proposed budget does do some trimming of that sort (\$487,900). The bulk of the savings, however, would come from cuts to our largest expense: rent payments on our rental assistance program. There are two ways to cut large amounts from these rent payments. The first way would entail large scale terminations of families from our rental assistance program. To cover \$3 million, we would have to cut about 400 families. The Board directed a second way to find savings. This entails "thinning the soup" measures that ask most participating families to accept less so we do not have to terminate anyone and in fact, we hope, can serve even more families. This budget proposal presumes upon those "soup thinning savings" (\$550,000 - \$1,092,000, depending on the soup thinning recipe we choose. The Board will make those choices in January and February).
- ~ *Cutting nonrecurring expenses.* (\$1,465,100)
- ~ *Dipping into reserves.* Both versions of the budget leave us with adequate reserves. (up to \$542,000, depending on the soup thinning recipe we choose)

In these ways, the proposal departs from an important budgeting principle that would have recurring expenses fit within recurring income that "sequester" would diminish by up to \$3 million. We propose this departure with adequate confidence because of a related decision the Board has made: to "thin the soup" on our rental assistance programs whether or not sequestration cuts occur in 2014. The full version of this change would extend to the full rental assistance program the rent changes we used to design the HOP program. Once fully implemented, that would save THA \$3 million annually. These anticipated savings starting in 2015 and fully showing in 2016 allow us some cushion this next year. We "thin the soup" even if sequestration does not happen this year for four reasons:

- to serve more families
- to serve them better or differently (e.g, enhanced supportive services, the Education Project, rapid rehousing investment, asset building):
- to support our portfolio and its fix up needs that Congress does not fund adequately
- to manage budget cuts that we judge are likely in the near or mid-term future even if they do not happen in 2014. If we are to respond to such cuts without mass terminations of families we have to do it by changing the rent structure ("thinning the soup") Yet, that takes long term planning. We would not be able to do that quickly if we waited for Congress to act.

Altogether, the soup thinning would help to stabilize THA amid some serious federal budget uncertainties that we judge will continue for the foreseeable future.

Both versions of the budget leave THA with adequate reserves of both MTW and non-MTW funds.

I am pleased to present this budget proposal to the Board. It reflects discussions occurring throughout the year by both the Board and staff. The “flat line” proposed budget leaves THA in relatively good shape considering the Congressional budget uncertainties. It allows THA to continue its core programs. It allows THA to continue its special programs that have distinguished THA nationally for its innovation, *e.g.*, Education Program, community services to help families prosper, rapid rehousing investments, asset building. The “sequestration” budget is another matter. Yet, even that budget would still preserve THA’s ability to do these things, although to a lesser extent.

Congressional appropriation remains the abiding uncertainty that we may face in January, depending on what Congress does. This resolution provides a road map if that happens.

PRINCIPLES GUIDING THE BUDGET CHOICES

Staff have used the following principles to guide the preparation of this budget proposal:

- **THA’s strategic directives**

THA’s statement of vision, mission and values, and our strategic objectives remain our primary principles that guide our work, including budget choices. Each department considered the priority of programs and projects serving each strategic objective when proposing its own budget. The budget proposal allows us to proceed with our most important initiatives. [NOTE: Matching our budget choices with our strategic directives will become more precise when we finally choose our performance measure targets. We hope to do that after the new year.]

In general, this budget seeks to retain what is distinctive about THA: we do not confine our mission to being a landlord and disbursing monthly rental assistance checks. We also are real estate and community developers. We seek ways to spend our housing dollars to leverage other outcomes: increased earned income of our families, improved educational outcomes; improved asset building. Our efforts to do this have become signature attributes of THA. They have distinguished THA in the nation. We would rather retain a meaningful measure of these functions, even on a reduced scale, rather than retreat into a smaller and suffocated understanding of our mission. If we get smaller but retain some spark of our broader mission, we can more easily later reignite and rebound than if we extinguish the flame completely.

- **Assumption about Congressional appropriations**

Congress is supposed to adopt a federal budget by October 1st. That schedule would be convenient because it would allow us to know our federal allocation in time to adopt our own budget by January 1st. Unfortunately, Congress is usually late, this forces us to assume what the final federal budget will be. We have

always assumed on the most conservative of the plausible versions of the federal budget pending in Congress.

This year is no exception. Congress is late. For now we are operating at FY 2013 sequestration levels. "Sequestration" is scheduled to continue in 2014, unless Congress directs otherwise. Full sequestration will cut THA's federal allocation by approximately 7.2% (\$3.0 million) from 2013 pre-sequestration funding levels or about \$700,000 from post-sequestration 2013 levels. In October, the Board gave direction to staff to budget at the pre sequestration FY 2013 levels (the "flat line budget") and to prepare a "shadow" budget with a hierarchical list of cuts totaling \$3 million should full sequestration occur.

- **Recurring income and expenses**

We seek a budget where our recurring income pays for our recurring expenses. Our proposed flat line budget does that. It shows an aggregate surplus of recurring income over recurring expenses in the amount of \$494,000. Please note, however, that the non-MTW portion of the budget shows a deficit of \$416,000. The majority of the deficit pertains to development expenses we think are reasonable to incur because of the prospect it gives us to earn development fees that will recoup the loss.

- **Reserves and reserve spending**

We continue to identify minimum and optimal levels of reserves overall and for each type of reserve. This budget would keep up above optimal levels for overall reserves. It would keep us above minimum levels for non-MTW reserves.

We do so pursuant to the principles that govern our use of reserves. It is easier to spend reserves on nonrecurring rather than recurring expenses. The best use of reserves is to fund activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective. Most of the spending of non-MTW reserves is on development projects that we expect will earn us a developer fee in 2014 that will recoup the amounts we spend.

NOTABLE BUDGET ASSUMPTIONS

All budgets rely on assumptions. These are the notable ones for this budget:

- **Two Budgets: 1. A "Flat Line" Budget at 2013 Pre-Sequestration Levels
2. A Sequestration Budget with \$3 million worth of cuts**

As I reviewed above, we are budgeting at the FY 2013 pre-sequestration funding levels with a hierarchical lists of cuts and expenditure delays totaling \$3 million. That list shows in Attachment E to the budget. We can go as deep into that list as necessary to account for whatever cuts result when Congress acts or, as may be more likely, does not act.

- **HUD Public Housing Operating Fund:**

The 2013 pre-sequestration level assumed a 95% congressional pro rata funding level (This means that Congress funded us at 95% of what HUD calculates to be necessary to run our portfolio). We will presume on a 90% level for our flat line budget.

- **Housing Occupancy Rates**

The rental income for our LIPH and Local fund (Wedgewood, Alaska 9 Homes, and North Shirley) properties is based on the September, 2013 rent roll and assumes an average of 97% occupancy.

- **HAP savings**

With our changes in occupancy standards, minimum rents and the elimination of utility reimbursement checks to our tenants, and continuing the Housing Opportunities Program (HOP) assistance, the budget estimates a savings of approximately \$3,000,000 since instituting the changes in 2011, and \$1,500,000 from 2012 to 2013. We are using \$1,030,000 of the HAP savings to provide funds to providers to assist in the housing of special population.

- **Wages and salaries**

For 2014, we are budgeting for a 3.0% increase for OPEIU and non-represented staff, along with an extra 2.0% for Variable pay based on performance. Our trade union personnel are being budgeted for a 2.5% increase. Scheduled increases are budgeted for July 1.

- **Employee benefits**

We calculated the costs of employee benefits on the following assumptions:

Health Care benefits

We plan for a 5% in the Laborers trust for our maintenance staff, effective July 1st. For our OPEIU and non-represented staff, we plan for a 4.2% increase over the 2013 budget, effective January 1st. We keep it to 4.2% by increasing the deductible amount and changing the prescription plan. We also earned a discount by our healthy workplace initiative.

Dental

No increase budgeted for 2014.

Retirement

Washington State employer portion of retirement plan increased from 7.25% in 2013 to 9.19% for 2014. .

Short and Long Term Disability/Life Insurance

By changing carriers in 2014, we will realize an approximate \$40K savings in these premiums. The employer pays these premiums. These savings will help offset the increase in health care costs.

Unemployment Insurance

THA pays all unemployment claims and remains self-insured for 2014. We accrue 2.0% of salaries and pay claims out of the accrual. This amount has been sufficient the past couple of years.

Benefits, on average, remain approximately 42% of salary dollars. This has stabilized from 2012 due to the change in benefit plans.

- **Hillside Terrace and LASA**

The budget anticipates progress on both Hillside Terrace and LASA. There is anticipated developer fee of \$379,700 for Hillside Terrace and \$187,000 for LASA in 2014, with another \$450,000 anticipated to be received in 2015.

- **Meth Plan Costs**

The budget presumes that we will significantly lower the costs of our Meth remediation costs in two ways. First, we will reduce the number of units that need remediation by, among other measures, better accounting for the false positive rates we have been seeing in our field tests. Second, we seek to lower the cost of remediation from an average of \$26,000 per remediated unit to \$15,000. We are discussing changes to our Meth Plan with the Health Department that we think will accomplish this.

- **Tax Credit Property Reserves**

We are budgeting \$350,000 to replenish Tax Credit property (Salishan & Hillside) reserves for shortages that may occur, primarily due to Meth remediation. We do not know if this replenishment will be necessary but this budgeting takes a cautious approach.

SOME BUDGET DETAIL

The attachments show the budget detail. Here are some highlights.

- **HAP Utilization**

The intent is to serve as many families as possible under THA's rental assistance programs. The budget assumes housing tenants at 100% of our Section 8 ACC authorization. If sequestration remains in 2014, we will not house any new families, and will reduce our occupancy by attrition. We will also use the plans outlined in "Thinning the Soup" to reduce our HAP costs down further.

- **Special Program Initiatives**

The budget provides approximately \$1 million for special program initiatives that the Board will recognize from past discussions:

- DSHS-PHA child welfare collaboration
- Rapid rehousing for homeless families
- Housing for unaccompanied youth
- TCC homeless students program
- Scholars incentive programs

- **IT Improvements**

The budget provides \$100,000 for a sunset employee to continue our MTW programming needs and assist our transition from our Yardi/Visual Homes platform. The budget also includes \$332,000 to purchase our software upgrade. It will mostly likely be Yardi Voyager. We do this because Yardi purchased our present Visual Home platform and it will not be upgrading it further. This means that Visual Home will not be a dynamic program for our future needs. We are also budgeting \$57K for SAN Machines.

- **Community Service grants**

THA received funds up front in previous years for specific grants facilitated by Community Services. The budget plans to spend \$80,000 of this money. Additionally, we have received a new grant from the Gates foundation that will provide funding for the continuation of the Education program, along with funds to assist us in the administration of the Scholar Incentives program.

- **Hillside Terrace Redevelopment**

The Hillside redevelopment (Bay Terrace) continues into 2014, and will be completed in mid- year, 2014. All funds that flow through THA should be fully expended within 2013, with funds needed to complete the development coming from a construction loan.

- **Renovation of the Family Investment Center and 902 South L**

In 2012, THA budgeted \$107,000 for renovation of the Family Investment Center. We budgeted \$300,000 in 2013. In 2013, we budgeted \$700,000 to finish the fix up of 902 South L Street. We never spent these funds.

We have kept these amounts in the “flat line” budget as a use of reserves. If sequestration occurs in 2014, we not spend this money. We may wish to delay this work in any case if we are “thinning the soup” at the same time.

- **Replacement of Aging Maintenance Vehicle Fleet**

THA has an aging maintenance vehicle fleet with many vehicles over 20 years old. In 2012, we started updating the fleet, with the expectation that we would continue replacing approximately 3 – 5 vehicles annually. This budget would spend \$120,000 for the purchase of new vehicles.

- **Reserve Appropriations/Operating Transfers**

In the budget, we specify certain areas where we will either make transfers from certain areas or pull from reserves rather than operations. For the FY-2014 we made the following choices:

- Fund painting and window washing of our Senior buildings, along with window replacement in our Senior buildings in the amount of \$143K. This is a carryover from the 2013 mid-year budget revision
- Fund the continued remodel of 902 South L in the amount of \$700K from reserves. This will continue to be put on hold if sequestration continues.
- Fund the FIC renovation in the amount of \$300K from reserves. This will continue to be put on hold if sequestration continues
- Fund the purchase of \$120K of replacement of maintenance vehicles from reserves. We will also purchase an articulated boom lift for maintenance in the amount of \$35K. Installation of a perimeter fence for Dixon Village in the amount of \$15K and a Security Gate for 6th Ave Apts. is also being funded through Reserves
- Wedgewood is being budgeted with \$350K of improvements from its own replacement reserves.
- We still anticipate our purchase of the general partnership in New Look Apts. This would be funded out of reserves at about \$375,000.
- For the continued improvement in the IT area, purchase of SAN Machines in the amount of \$57K, and the conversion away from our Yardi/Visual Homes platform in the amount of \$332K will be coming from Reserves.

- **Use of MTW flexibility**

Due to our MTW flexibilities, we are combining our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. We will use this single funding source to fund Public Housing operations, the Public Housing Capital Fund and the Housing Choice Voucher programs to carry out the mission of the MTW Demonstration program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 act.

- **Reserves**

The budget will leave us with the following reserves as indicated in Attachment

A:

○	MTW Reserves	\$ 4,914,700
○	Business Activities (Non-MTW) reserves	\$ 2,173,600
○	Bond Financed Property reserves	\$ 613,000
○	Salishan 7 Reserves	<u>\$ 1,156,900</u>
		\$ 8,858,200

Recommendation

I recommend that the Board adopt Resolution 2013-12-18 (2) approving THA's Fiscal Year 2014 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-12-18(2) FISCAL YEAR 2014 ANNUAL BUDGET

Whereas, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2014; and

Whereas, The U.S. Department of Housing and Urban Development (HUD) requires the Authority's Board to approve its annual Site-based budgets;

Whereas, Authority staff prepared and the Authority's Board of Commissioners reviewed the proposed Fiscal Year 2014 annual budget,

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington that:

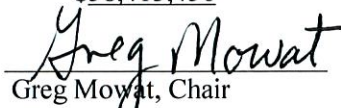
1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2014 Agency wide budget. The HUD required site-based budgets are also approved and are a subset of the overall agency wide budget. The Board authorizes the Executive Director to implement and execute this budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 479,668
Human Resources	752,911
Finance	1,013,760
Administration	1,705,459
Community Services	2,015,279
Development	2,188,610
REM&HS Overhead	2,059,464
Rental Assistance	33,627,401
Property Management	<u>6,009,274</u>
Subtotal	49,851,826

<u>Additional Cash Outflows</u>	
Capital Expenditures	7,852,750
Debt Service	358,880
Special Transfer to Tax Credit Properties	<u>350,000</u>
Subtotal	8,561,630

TOTAL APPROVED BUDGET \$58,413,456

Approved: December 18, 2013


Greg Mowat, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: THA FY-2014 BUDGET
December 6, 2013



The green boxes below denote the main decisions for the THA Board. The contents of the green boxes are staff proposals.



The yellow boxes below and other text contain information and staff proposals that will help the Board decide.

1. AVAILABLE RESERVES

Type/Purpose of Reserves	Projected Reserves 01/01/14
a. MTW Reserves	\$7,600,000
b. Business Activities (Non-MTW) reserves	\$3,000,000
c. Salishan 7 Reserves	\$700,000
d. Bond Financed Property Reserves	\$900,000
Totals	\$12,200,000

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Minimum necessary and Optimal Reserves

Minimum	Optimal	Amount to Reserve
\$2,843,000	\$4,597,000	\$4,597,000
\$1,500,000	\$2,500,000	\$1,500,000
\$700,000	\$700,000	\$700,000
\$500,000	\$900,000	\$500,000
\$5,543,000	\$8,697,000	\$7,297,000

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Amount of reserves available to use in FY014
\$3,003,000
\$1,500,000
\$0
\$400,000
\$4,903,000

MTW Reserves

Section 8 HAP - Entry to MTW Program
Section 8 Administrative Expenses
PH AMP 1 - 6 Expenses

Annual Amount	Minimum		Optimal	
	Period	Amount	A	Amount
\$29,035,000	1/2 month	\$ 1,210,000	1 month	\$ 2,420,000
\$3,141,000	3 months	\$ 785,000	4 months	\$ 1,047,000
\$3,390,000	3 months	\$ 848,000	4 months	\$ 1,130,000
Total		\$ 2,843,000	Total	\$ 4,597,000

2. RECURRING OPERATIONAL EXPENSES AND INCOMES FY-2014

	Recurring Income	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$42,745,000	\$41,835,000		\$910,000
Non-MTW	\$5,602,000	\$6,018,000		(\$416,000)
Total	\$48,347,000	\$47,853,000		\$494,000

3. BUDGET IMPACT - RESERVES - FY-2014

	MTW	Business Activities	Bond Financed Properties	Salishan 7 Reserves	Total
Reserves - 01/01/14	\$7,600,000	\$3,000,000	\$900,000	\$700,000	\$12,200,000
Recurring Surplus/(Shortfall) ¹	\$910,000	(\$935,900)	\$63,000	\$456,900	\$494,000
Non-Recurring Income/(Expense)					Amount
a. Non Recurring Income - Operational ²	\$1,099,200	\$641,700			\$1,740,900
b. Non Recurring Income - Capital ³	\$1,000,000	\$4,558,800			\$5,558,800
c. Operations & Support Department Expenses - Operational ⁴	(\$1,294,500)	(\$277,700)			(\$1,572,200)
d. Operations & Support Departments Expenses- Capital ⁵	(\$1,944,000)		(\$350,000)		(\$2,294,000)
e. Development Department - Operational ⁶	(\$531,000)	(\$254,500)			(\$785,500)
f. Development Department - Capital ⁷	(\$1,375,000)	(\$4,558,800)			(\$5,933,800)
g. Ownership Interest in LASA	(\$200,000)				(\$200,000)
h. Loan to Tax Credit Properties for potential shortfalls	(\$350,000)				(\$350,000)
<i>Projected Reserves - 12/31/14</i>	\$ 4,914,700	\$ 2,173,600	\$ 613,000	\$ 1,156,900	\$ 8,858,200

4. FY-2014 END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves	Projected Reserves 12/31/14	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal
a. MTW Reserves	\$4,914,700	\$2,843,000	\$4,597,000	\$317,700
b. Business Activities (Non-MTW) reserves	\$2,173,600	\$1,500,000	\$2,500,000	(\$326,400)
c. Bond Financed Property Reserves	\$ 613,000	\$500,000	\$900,000	(\$287,000)
d. Salishan 7 Reserves	\$ 1,156,900	\$700,000	\$700,000	\$456,900
Totals	\$8,858,200	\$5,543,000	\$8,697,000	\$161,200

e. 2013 MTW Commitments passed by the Board	Amount	Included in 2014 Budget	Balance at end of 2014
1. 2nd Phase Hillside Terrace Redevelopment	\$2,420,000	\$0	\$2,420,000
2. Renovation/Remodel of 2nd Floor - Administrative Building	\$700,000	\$700,000	\$0
3. Renovation/Remodel of Family Investment Center Building	\$300,000	\$300,000	\$0
4. RAD Conversion Cost - Capital Contributions to Projects	\$1,000,000	\$1,000,000	\$0
5. Software Conversion of Yardi/Visual Homes Platform	\$600,000	\$332,000	\$268,000
6. Education Projects - McCarver and Others	\$310,000	\$0	\$310,000
7. Exigent Health & Safety Issue (Meth Remediation)	\$500,000	\$225,000	\$275,000
	\$5,830,000	\$2,557,000	\$3,273,000

Back-up Detail

5. Non-Recurring Income: FY-2014

Sources of Non-Recurring Income	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
Operational²						
Hillside Terrace Operating Subsidy - Projected at approximately \$270K for 2013. Will reduce by 33% annually.						
a. Capital Funds						
1. Transfer to MTW over 10% admin amount		\$90,000				
2. PH Rental Assistance Demonstration (RAD) conversion costs		\$0				
3. Hillside Tenant relocation back to Bay Terrace		\$360,900				
4. Due Diligence costs for future Hillside redevelopment		\$75,000				
5. Administration for Wright Street Corridor		\$306,000				
6. CFP to pay for Meth Supervisor position in 2014.		\$165,000				
7. Developer Fee Income		\$102,300				
1. Hillside Terrace Redevelopment (2500 Yakima)		\$379,700				
2. LASA		\$187,000				
d. City of Tacoma Power - DR Horton Sales		\$75,000				
e. Loan Interest received - Tax Credit Properties		\$0				
Operations Subtotal²	\$1,099,200	\$641,700	\$0	\$0	\$0	\$0
Capital³						
a. Hillside Terrace Community Facility Grant						
b. 2500 Yakima Redevelopment						
c. CFP funds for PH capital work	\$1,000,000					
d. LASA		\$4,558,800				
Capital Subtotal³	\$1,000,000	\$4,558,800	\$0	\$0	\$0	\$0

6. Non-recurring Operational/Support Department Costs Reserve Requests/Budget Changes

Operations & Support Departments

6.1 Operations & Support Department Non-Recurring - Operational⁴

	Original		Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	MTW-CFP	Non-MTW	MTW-CFP	Non-MTW
a. Salaries						
1. Sunset positions identified in 8.1 i-o below.	\$508,900	\$0				
b. Legal						
1. RAD Conversion (Admin)	\$20,000					
2. Legal Fees for Meth Testing Strategy (Admin)	\$10,000	\$10,000				
c. Advertising - Marketing Reasonable Accommodations Software (Admin)						
d. Staff Training						
1. Training Sigma Six						
1.1 Finance Dept	\$5,100					
1.2 Admin Dept.	\$1,700					
1.3 REM&HS Dept.	\$20,000					
2. Admin Dept Non-recurring trainings	\$16,500					
e. Administrative Contracts						
1. Leadership Team Development (HR)	\$20,700	\$4,300				
2. Compensation Analysis (HR)	\$16,600	\$3,400				
3. RAD financial consultants (Admin)	\$30,000					
4. QA temps to review files, 3 months (Admin)	\$35,000					
5. Evaluation of MTW program (REM&HS)	\$45,000					
f. Community Services						
1. Homeowners Downpayment Assistance (Renegotiated Annually)	\$75,000					
g. Relocation - Hillside Tenant relocation back to Bay Terrace	\$75,000					
h. Contract Maintenance						
1. Tree Maintenance (PM Overhead)	\$13,000					
2. 902 HVAC Repairs (REM&HS)	\$25,000					
3. Interior Painting - Senior Buildings (PM)	\$105,000					
4. Window Washing - Senior Buildings (PM)	\$7,000					
5. Scattered Site Window Replacement (PM)	\$21,000					
6. Exterior Lighting - Fawcett (PM)	\$10,000					
i. General Expenses						
1. Early Retirement Incentives (HR)		\$225,000				
j. Extraordinary Maintenance for Properties (Reviewed Annually)						
1. Additional Rehab for Wright Street Contaminated units	\$185,000					
k. Contingency will be reevaluated each year	\$69,000	\$35,000				
Operational Subtotal⁴	\$1,294,500	\$277,700	\$0	\$0	\$0	\$0

6.2 Operations & Support Departments - Capital⁵

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. 902 South L - Continue renovation	\$700,000					
b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012)	\$300,000					
c. Maintenance Vehicle Replacement with outfitting	\$120,000					
d. Articulated Boom Lift for Maintenance	\$35,000					
e. Install Perimeter Fence - Dixon	\$15,000					
f. Security Gate - 6th Ave Apts.	\$10,000					
g. Wedgewood Capital Repairs (Bond Financed Property)		\$350,000				
h. Purchase of New Look Apts.	\$375,000					
i. SAN Machines (Dell Powervault MD32201)	\$57,000					
j. Transition Platform to Yardi Voyager	\$332,000					
Capital Subtotal⁵	\$1,944,000	\$350,000	\$0	\$0	\$0	\$0

Development Department Activity

6.3 Development Department Nonrecurring - Operational⁶

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Legal						
1. New Look Apts.						
2. Hillside 2 & 3 Redevelopment	\$40,000					
3. Brown Star Grill		\$25,000				
b. Administrative Contracts						
1. Conversion Assistance, PNA for converting PH units to RAD.	\$225,000					
c. Due Diligence - Development Opportunities						
1. Hillside Redevelopment - Phases 2 & 3 - CF	\$266,000					
2. Brown Star Grill		\$104,500				
3. Other Opportunities		\$50,000				
4. Salishan Core Planning		\$70,000				
d. Other General Expense						
1. Salishan History SHPO requirement		\$5,000				
Development Activity - Operational - Subtotal⁶	\$531,000	\$254,500	\$0	\$0	\$0	\$0

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
6.4 Development Department - Capital⁷						
a. RAD Conversion Cost	\$1,000,000					
b. LASA						
1. HOME Funds		\$235,300				
2. 2163 Funds		\$525,800				
3. HTF Funds		\$3,797,700				
c. Purchase of New Look Apts. - (Carryover from 2013)	\$375,000					
<i>Development Activity - Capital - Subtotal⁷</i>	\$1,375,000	\$4,558,800	\$0	\$0	\$0	\$0

7. Reserve Appropriations Requested

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
7.1 Operations						
a. Community Services expenses received Prior Year grants		\$81,200				
b. MTW Reserve Appropriations for Carryover PH Contract Repairs	\$143,000					
c. Loan Funds to cover potential Tax Credit deficits	\$350,000					
<i>Operations Subtotal</i>	\$493,000	\$81,200	\$0	\$0	\$0	\$0

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
7.2 Capital						
a. 902 South L - Continue renovation	\$700,000					
b. FIC & Maintenance Building Renovations (\$100K Carryover from 2014)	\$300,000					
c. Maintenance Vehicle Replacement with outfitting	\$120,000					
d. Articulated Boom Lift for Maintenance	\$35,000					
e. Install Perimeter Fence - Dixon	\$15,000					
f. Security Gate - 6th Ave Apts.	\$10,000					
g. Wedgewood Capital Repairs (Bond Financed Property)		\$350,000				
h. Purchase of New Look Apts.	\$375,000					
i. SAN Machines (Dell Powervault MD32201)	\$57,000					
j. Transition Platform to Yardi Voyager	\$332,000					
<i>Capital Subtotal</i>	\$1,944,000	\$350,000	\$0	\$0	\$0	\$0

8. Notable Recurring Operational/Support Department Costs

8.1 Position Changes - FY-2014

Position Changes		Staff Positions			Change	Comments
		Increase/ Decrease fm previous year budget	Original	Mid-Year Revision		
<i>Currently Occupied</i>						
a.	IT Manager	0.5	\$64,900			Reinstituted Position Mid-Year (MY) 2013
b.	IT Systems Administrator	0.5	\$46,600			Approved as FT Position MY 2013 budget.
c.	Property Management (Assistant Lead (REM&HS)	0.5	\$31,000			Hired MY 2013 as regular position. Identifies that it is an overall increase in budget.
<i>Subtotal</i>		1.50	\$142,500			
<i>New Positions</i>						
d.	Marketing Specialist (REM&HS)	0.75	\$64,000			Start date of April 1st
e.	Senior Office Assistant (REM&HS)	1	\$51,800			Admin Assistance for Portfolio Manager and Maintenance Supervisor
f.	Meth Supervisor - PILOT	1	\$102,300			Test vacant units for contamination and oversee THA team responsible for cleaning. For 2014, will be paid out of CFP.
g.	Maintenance Technicians (3) - PILOT	3	\$82,500			Meth Clean Team - THA Properties Portion only
<i>Subtotal</i>		5.75	\$300,600			
<i>Eliminated Positions</i>						
h.	Leasing & Occupancy Assistant (RA)	(1)	(\$63,200)			Eliminated due to efficiencies created by Rent Reform
i.	Property Management Assistant (PM)	(1)	(\$51,800)			Position transitioned to Senior Office Assistant
j.	Asset Builder (CS)	(1)	(\$79,400)			Part of reevaluation of Community Services department
<i>Subtotal</i>		(3.00)	(\$194,400)			
<i>Sunset Positions (Non-recurring)</i>						
k.	Business Process Improvement Analyst (HR)	0.25	\$18,500			Assist in improving critical HR processes in expedited manner
l.	HR Intern	0.10	\$2,000			Assist in customer service and making systems more accessible
m.	Business Process Improvement Analyst (Admin)	1	\$109,400			Assist in business process improvement plan.
n.	Rental Assistance Demonstration Project Manager (Admin)	1	\$85,900			Assist agency in transitioning PH properties to RAD
o.	Applications Architect (Admin)	1	\$109,400			Assist with GIS, social media, and MTW analysis of data.
p.	Business Process Improvement Analyst (REM&HS)	1	\$77,100			Assist in business process improvement plan, focusing on REM&HS.
q.	REM&HS Interns	0.50	\$20,000			
r.	Inventory Specialist (REM&HS)	1	\$86,600			Develops inventory management system to alleviate trips to store for common and repetitive maintenance product purchase. Once create oversees operation of it.
<i>Subtotal</i>		5.85	\$508,900			
Totals		10.10				

8.2 Operations & Support Department - Notable Recurring Information

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
2014 HAP savings - Increasing Minimum rents from \$75 to \$150, 30%						
a. TTP, and eliminating utility allowances	(\$500,000)					
b. Special Program Assistance Payments						
1. Child Welfare Vouchers	\$192,000					
2. Rapid Rehousing for Homeless Families	\$400,000					
3. Unaccompanied Youth Vouchers	\$288,000					
4. TCC Homeless Students	\$150,000					
c. THA match for Scholars Incentive Program funded by Gates Foundation	\$30,000					
d. FSS paypoints - Replaces HAP FSS escrow amounts (included with HAP)	\$50,000					
e. Contamination Testing & Remediation PH Units *	\$195,000	\$30,000				
Totals	\$805,000	\$30,000	\$0	\$0	\$0	\$0

* Contamination Testing amount is based on an average of \$15,000 per unit remediation and put back, and a reduction to 5% of our unit turns based on a THA Meth clean team doing an initial cleaning to reduce the number of units needed to be fully remediated.

9. A LOOK AHEAD TO FY-2015 (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)

	Recurring FY015 Income	Recurring FY015 Expense	Amount
9.1			
Fully realized HAP savings from increasing minimum rents from \$75 to \$150, raising TTP to 30%, and eliminating utility allowances in 2014, along a. with HOP savings			\$1,875,000
b. Congressional FY-2014 Budget Appropriations			??????
9.2	Non-Recurring FY015 Income	Non-Recurring FY015 Expense	Amount
a. Developer Fee - 2500 Yakima Redevelopment - Remaining			\$392,000
b. Developer Fee - LASA			\$60,800
c. Developer Fee - Hillside Redevelopment - Phase 2			\$0

10. Emerging Needs and Opportunities

	MTW -CFP	Non-MTW
a. Purchase of Land at 11th and MLK		???
b. THA Contribution to Purchase of Market Rate Acquisition		???
Total - Emerging Development Projects	\$0	\$0

**FY 2014 Tacoma Housing Authority Budget
Agency Total by Departmental Areas**

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM Overhead	Rental Assistance	Property Budgets	Agency Total
INCOME										
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,238,919	\$3,238,919
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,241	\$44,241
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,732,479	\$0	\$34,732,479
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$131,523	\$0	\$0	\$2,707,488	\$0	\$2,839,011
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,318,509	\$2,318,509
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$144,574	\$0	\$0	\$0	\$0	\$144,574
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$388,138	\$0	\$918,430	\$0	\$0	\$165,000	\$1,471,568
8 Management Fee Income	\$183,332	\$98,088	\$557,563	\$611,986	\$133,021	\$0	\$1,939,316	\$131,386	\$0	\$3,654,692
9 Other Government grants	\$0	\$0	\$0	\$0	\$145,432	\$258,200	\$0	\$0	\$0	\$403,632
10 Investment income	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$22,500	\$2,025	\$59,525
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$30,000
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$566,743	\$0	\$0	\$0	\$566,743
13 Other Revenue	\$0	\$0	\$42,980	\$0	\$473,421	\$8,000	\$2,500	\$35,000	\$22,450	\$584,351
TOTAL OPERATING RECEIPTS	\$183,332	\$98,088	\$635,543	\$1,000,123	\$1,027,971	\$1,751,373	\$1,941,816	\$37,658,853	\$5,791,144	\$50,088,244

OPERATING EXPENDITURES**Administrative**

14 Administrative Salaries	\$255,498	\$219,231	\$652,768	\$897,519	\$0	\$548,898	\$792,717	\$1,066,346	\$388,403	\$4,821,380
15 Administrative Personnel - Benefits	\$80,215	\$82,409	\$271,034	\$354,564	\$0	\$195,590	\$331,070	\$472,909	\$186,411	\$1,974,202
16 Audit Fees	\$0	\$0	\$17,500	\$0	\$0	\$5,000	\$0	\$30,000	\$35,211	\$87,711
17 Management Fees	\$0	\$0	\$0	\$0	\$307,017	\$286,553	\$254,731	\$1,289,461	\$760,307	\$2,898,069
18 Rent	\$0	\$0	\$0	\$0	\$0	\$24,390	\$39,538	\$196,148	\$38,370	\$298,446
19 Advertising	\$0	\$0	\$0	\$10,000	\$0	\$500	\$1,000	\$0	\$1,950	\$13,450
20 Information Technology Expenses	\$1,000	\$0	\$0	\$188,163	\$45,942	\$0	\$0	\$1,000	\$13,740	\$229,845
21 Office Supplies	\$3,500	\$300	\$4,000	\$5,000	\$26,508	\$1,800	\$3,000	\$21,000	\$11,076	\$76,184
22 Publications & Memberships	\$33,065	\$2,178	\$1,020	\$3,200	\$3,250	\$1,100	\$1,500	\$1,000	\$321	\$46,634
23 Telephone	\$4,800	\$1,200	\$0	\$41,280	\$6,100	\$6,000	\$13,720	\$8,850	\$30,024	\$111,974
24 Postage	\$700	\$125	\$2,250	\$300	\$4,500	\$500	\$4,500	\$22,000	\$6,215	\$41,090
25 Leased Equipment & Repairs	\$250	\$0	\$650	\$49,520	\$6,100	\$0	\$3,000	\$16,000	\$8,468	\$83,988
26 Office Equipment Expensed	\$1,500	\$3,500	\$3,000	\$17,500	\$9,600	\$5,000	\$17,500	\$5,000	\$3,613	\$66,213
27 Legal	\$10,000	\$13,500	\$0	\$30,000	\$0	\$65,000	\$70,000	\$10,000	\$27,420	\$225,920
28 Local Mileage	\$600	\$100	\$100	\$1,500	\$3,600	\$500	\$4,500	\$500	\$1,835	\$13,235
29 Staff Training/ Out of Town Travel	\$30,000	\$37,500	\$27,555	\$39,506	\$20,000	\$16,750	\$71,300	\$29,400	\$9,612	\$281,623
30 Administrative Contracts	\$10,000	\$128,950	\$27,600	\$66,000	\$75,000	\$235,000	\$92,000	\$20,000	\$9,150	\$663,700
31 Other Administrative Expenses	\$18,500	\$7,550	\$2,000	\$1,900	\$0	\$5,000	\$33,130	\$7,000	\$8,290	\$83,370
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$490,500	\$0	\$0	\$0	\$490,500
33 Contingency	\$25,000	\$30,000	\$0	\$15,000	\$0	\$0	\$20,000	\$5,000	\$8,450	\$103,450
Total Administrative Expenses	\$474,628	\$526,543	\$1,009,478	\$1,700,951	\$507,617	\$1,888,081	\$1,753,206	\$3,201,614	\$1,548,866	\$12,610,984

Tenant Services

34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$933,505	\$0	\$0	\$0	\$0	\$933,505
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$381,233	\$0	\$0	\$0	\$0	\$381,233
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$17,670	\$92,670
37 Tenant Service - other	\$2,000	\$0	\$0	\$0	\$181,778	\$0	\$1,200	\$1,000	\$13,140	\$199,118
Total Tenant Services	\$2,000	\$0	\$0	\$0	\$1,496,516	\$75,000	\$1,200	\$1,000	\$30,810	\$1,606,526

FY 2014 Tacoma Housing Authority Budget
Agency Total by Departmental Areas

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM Overhead	Rental Assistance	Property Budgets	Agency Total
Utilities										
38 Water	\$0	\$0	\$0	\$0	\$0	\$9,000	\$4,810	\$0	\$104,615	\$118,425
39 Electric	\$0	\$0	\$0	\$0	\$0	\$5,000	\$36,160	\$0	\$158,080	\$199,240
40 Gas	\$0	\$0	\$0	\$0	\$0	\$1,100	\$3,200	\$0	\$55,560	\$59,860
41 Sewer	\$0	\$0	\$0	\$0	\$0	\$29,200	\$9,620	\$0	\$280,450	\$319,270
Total Project Utilities	\$0	\$0	\$0	\$0	\$0	\$44,300	\$53,790	\$0	\$598,705	\$696,795
Ordinary Maintenance & Operations										
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$0	\$624,872	\$659,872
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$11,989	\$0	\$195,881	\$207,870
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$5,000	\$27,250	\$3,000	\$170,920	\$206,170
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$46,000	\$134,000	\$2,000	\$902,565	\$1,084,565
Total Routine Maintenance	\$0	\$0	\$0	\$0	\$0	\$51,000	\$208,239	\$5,000	\$1,894,238	\$2,158,477
General Expenses										
46 Protective Services	\$0	\$0	\$0	\$0	\$0	\$1,000	\$21,500	\$0	\$119,350	\$141,850
47 Insurance	\$3,040	\$1,368	\$4,282	\$4,508	\$11,146	\$3,853	\$20,529	\$29,184	\$137,967	\$215,877
48 Other General Expense	\$0	\$225,000	\$0	\$0	\$0	\$10,000	\$1,000	\$104,801	\$1,031,126	\$1,371,927
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,503	\$15,503
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$50,482	\$75,482
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$115,376	\$0	\$0	\$160,720	\$276,096
Total General Expenses	\$3,040	\$226,368	\$4,282	\$4,508	\$11,146	\$130,229	\$43,029	\$158,985	\$1,515,148	\$2,096,735
TOTAL OPERATING EXPENSES	\$479,668	\$752,911	\$1,013,760	\$1,705,459	\$2,015,279	\$2,188,610	\$2,059,464	\$3,366,599	\$5,587,767	\$19,169,517
Nonroutine Expenses and Capital Expenditures										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$396,000	\$396,000
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,507	\$25,507
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,260,802	\$0	\$30,260,802
Total Nonroutine Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,260,802	\$421,507	\$30,682,309
TOTAL EXPENSES	\$479,668	\$752,911	\$1,013,760	\$1,705,459	\$2,015,279	\$2,188,610	\$2,059,464	\$33,627,401	\$6,009,274	\$49,851,826
OPERATING SURPLUS/(DEFICIT)	(\$296,336)	(\$654,823)	(\$378,217)	(\$705,336)	(\$987,308)	(\$437,237)	(\$117,649)	\$4,031,452	(\$218,130)	\$236,418
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	(\$182,740)	\$0	\$0	(\$176,140)	(\$358,880)
56 Special Transfer to Tax Credit Properties									(\$350,000)	(\$350,000)
Surplus/Deficit Before Reserve Appropriations	(\$296,336)	(\$654,823)	(\$378,217)	(\$705,336)	(\$987,308)	(\$619,977)	(\$117,649)	\$4,031,452	(\$744,270)	(\$472,462)
57 Reserve Appropriations - Operations/Transf	\$0	\$0	\$0	\$0	\$81,203	\$0	\$0	\$0	\$493,000	\$574,203
Surplus/Deficit Before Capital Expenditures	(\$296,336)	(\$654,823)	(\$378,217)	(\$705,336)	(\$906,105)	(\$619,977)	(\$117,649)	\$4,031,452	(\$251,270)	\$101,741
58 Capitalized Items/Development Projects	\$0	\$0	\$0	(\$389,000)	\$0	(\$6,633,750)	(\$455,000)	\$0	(\$375,000)	(\$7,852,750)
59 Revenue - Capital Grants	\$0	\$0	\$0	\$0	\$0	\$5,558,750	\$0	\$0	\$0	\$5,558,750
60 Reserve Appropriations - Capital	\$0	\$0	\$0	\$389,000	\$0	\$1,075,000	\$455,000	\$0	\$375,000	\$2,294,000
AGENCY WIDE BUDGET SURPLUS/(DEFICIT)	(\$296,336)	(\$654,823)	(\$378,217)	(\$705,336)	(\$906,105)	(\$619,977)	(\$117,649)	\$4,031,452	(\$251,270)	\$101,741

2014 Tacoma Housing Authority Portfolio Budget

12/11/13

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 6	Tax Credit AMPS	LIPH Total	Sal 7	Market Rate	Portfolio Total
	K, M & G St. Apts. Elderly Disabled 160 Units	Fawcett, Wright, 6th St. Apts. (Elderly/Disabled) 152 Units	Lawrence, Bergerson Terrace, Dixon Village 144 Units	Hillside Terrace (1800 & 2500 Blocks) Demo'd 104 Units demo'd	Single Family Homes 34 Units			90 Units	118 Units	
INCOME										
1 Revenue - Dwelling rent	\$424,788	\$386,844	\$451,524	\$0	\$73,440	\$0	\$1,336,596	\$1,156,592	\$745,731	\$3,238,919
2 Tenant Revenue - Other	\$8,000	\$7,600	\$8,750	\$0	\$3,400	\$0	\$27,750	\$11,781	\$4,710	\$44,241
3 HUD grant - Section 8 HAP reimburseme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 HUD grant - Public Housing subsidy	\$375,352	\$328,093	\$341,924	\$212,965	\$107,991	\$952,184	\$2,318,509	\$0	\$0	\$2,318,509
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 HUD grant - Capital Fund Operating Rev	\$0	\$165,000	\$0	\$0	\$0	\$0	\$165,000	\$0	\$0	\$165,000
8 Management Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Investment income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$525	\$2,025
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Other Revenue	\$10,000		\$3,450	\$0	\$0	\$0	\$13,450	\$500	\$0	\$13,950
TOTAL OPERATING RECEIPTS	\$818,140	\$887,537	\$805,648	\$212,965	\$184,831	\$952,184	\$3,861,305	\$1,170,373	\$750,968	\$5,782,644
OPERATING EXPENDITURES										
<i>Administrative</i>										
14 Administrative Salaries	\$99,116	\$94,530	\$95,066	\$0	\$22,726	\$0	\$311,438	\$53,827	\$23,138	\$388,403
15 Administrative Personnel - Benefits	\$46,130	\$43,902	\$43,770	\$0	\$10,534	\$0	\$144,336	\$24,589	\$17,486	\$186,411
16 Audit Fees	\$3,220	\$3,108	\$3,010	\$750	\$715	\$4,278	\$15,081	\$10,000	\$10,130	\$35,211
17 Management Fees	\$219,475	\$208,501	\$174,056	\$0	\$38,891	\$0	\$640,923	\$102,946	\$16,438	\$760,307
18 Rent	\$10,490	\$9,643	\$9,452	\$0	\$2,233	\$0	\$31,818	\$5,896	\$656	\$38,370
19 Advertising	\$0	\$0	\$0	\$0	\$150	\$0	\$150	\$150	\$1,650	\$1,950
20 Information Technology Expenses	\$4,500	\$4,416	\$3,360	\$0	\$660	\$0	\$12,936	\$600	\$204	\$13,740
21 Office Supplies	\$1,360	\$1,292	\$2,223	\$0	\$619	\$0	\$5,493	\$1,200	\$4,382	\$11,076
22 Publications & Memberships	\$113	\$108	\$79	\$0	\$17	\$0	\$316	\$0	\$5	\$321
23 Telephone	\$9,566	\$9,619	\$7,142	\$0	\$600	\$0	\$26,927	\$1,000	\$2,097	\$30,024
24 Postage	\$1,586	\$1,507	\$1,906	\$0	\$495	\$0	\$5,495	\$225	\$496	\$6,215
25 Leased Equipment & Repairs	\$3,060	\$3,060	\$1,530	\$0	\$168	\$0	\$7,818	\$600	\$50	\$8,468
26 Office Equipment Expensed	\$1,133	\$1,077	\$790	\$0	\$165	\$0	\$3,165	\$400	\$49	\$3,613
27 Legal	\$4,000	\$5,000	\$4,700	\$0	\$1,500	\$0	\$15,200	\$9,000	\$3,220	\$27,420
28 Local Mileage	\$567	\$538	\$520	\$0	\$124	\$0	\$1,749	\$50	\$36	\$1,835
29 Staff Training/ Out of Town Travel	\$2,447	\$2,325	\$2,177	\$0	\$512	\$0	\$7,461	\$2,000	\$151	\$9,612
30 Administrative Contracts	\$950	\$1,300	\$750	\$0	\$150	\$0	\$3,150	\$1,700	\$4,300	\$9,150
31 Other Administrative Expenses	\$950	\$1,250	\$1,750	\$0	\$500	\$0	\$4,450	\$600	\$3,240	\$8,290
32 Due Diligence - Perspective Developmen	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Contingency	\$2,000	\$1,500	\$2,000	\$0	\$1,000	\$0	\$6,500	\$1,200	\$750	\$8,450
Total Administrative Expenses	\$410,663	\$392,676	\$354,282	\$750	\$81,758	\$4,278	\$1,244,407	\$215,963	\$88,477	\$1,548,667
<i>Tenant Services</i>										
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Relocation Costs	\$4,800	\$4,560	\$4,320	\$0	\$1,020	\$0	\$14,700	\$2,700	\$270	\$17,670
37 Tenant Service - other	\$3,200	\$6,000	\$2,440	\$0	\$500	\$0	\$12,140	\$1,000	\$0	\$13,140
Total Tenant Services	\$8,000	\$10,560	\$6,760	\$0	\$1,520	\$0	\$26,840	\$3,700	\$270	\$30,810

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Tax Credit AMPS	LIPH Total	Sal 7	Market Rate	Portfolio Total
	K, M & G St. Apts. Elderly Disabled	Fawcett, Wright, 6th St. Apts. (Elderly/Disabled)	Lawrence, Bergerson Terrace, Dixon Village	Hillside Terrace (1800 & 2500 Blocks) Demo'd	Single Family Homes					
Utilities										
38 Water	\$24,250	\$19,755	\$29,035	\$0	\$1,290	\$0	\$74,330	\$29,000	\$1,285	\$104,615
39 Electric	\$63,600	\$57,800	\$27,100	\$0	\$3,780	\$0	\$152,280	\$2,400	\$3,400	\$158,080
40 Gas	\$31,700	\$17,050	\$5,750	\$0	\$460	\$0	\$54,960	\$600	\$0	\$55,560
41 Sewer	\$74,300	\$61,500	\$87,950	\$0	\$3,800	\$0	\$227,550	\$50,000	\$2,900	\$280,450
Total Project Utilities	\$193,850	\$156,105	\$149,835	\$0	\$9,330	\$0	\$509,120	\$82,000	\$7,585	\$598,705
Ordinary Maintenance & Operations										
42 Maintenance Salaries	\$149,905	\$142,429	\$155,283	\$0	\$38,570	\$0	\$486,187	\$74,284	\$64,401	\$624,872
43 Maintenance Personnel - Benefits	\$51,350	\$48,789	\$53,182	\$0	\$13,212	\$0	\$166,543	\$25,446	\$3,892	\$195,881
44 Maintenance Materials	\$29,500	\$26,000	\$38,000	\$0	\$20,000	\$0	\$113,500	\$15,000	\$42,420	\$170,920
45 Contract Maintenance	\$240,650	\$214,250	\$171,100	\$0	\$60,450	\$0	\$686,450	\$145,665	\$70,450	\$902,565
Total Routine Maintenance	\$471,405	\$431,469	\$417,575	\$0	\$132,233	\$0	\$1,452,681	\$260,395	\$181,162	\$1,894,238
General Expenses										
46 Protective Services	\$40,000	\$29,000	\$44,000	\$0	\$100	\$0	\$113,100	\$0	\$6,250	\$119,350
47 Insurance	\$31,536	\$30,762	\$28,523	\$0	\$9,417	\$0	\$100,238	\$20,186	\$17,543	\$137,967
48 Other General Expense	\$3,200	\$1,850	\$1,450	\$0	\$100	\$909,926	\$916,526	\$88,400	\$26,200	\$1,031,126
49 Payment in Lieu of Taxes	\$2,497	\$2,381	\$2,285	\$0	\$531	\$5,109	\$12,803	\$1,000	\$1,700	\$15,503
50 Collection Loss	\$8,496	\$7,737	\$9,030	\$0	\$1,469	\$0	\$26,732	\$8,836	\$14,915	\$50,482
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,720	\$160,720
Total General Expenses	\$85,728	\$71,730	\$85,288	\$0	\$11,617	\$915,035	\$1,169,399	\$118,421	\$227,328	\$1,515,148
TOTAL OPERATING EXPENSES	\$1,169,646	\$1,062,540	\$1,013,740	\$750	\$236,458	\$919,313	\$4,402,447	\$680,499	\$504,822	\$5,587,766
Nonroutine Expenses and Capital Expenditures										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$60,000	\$225,000	\$60,000	\$0	\$15,000	\$0	\$360,000	\$30,000	\$6,000	\$396,000
53 Casualty Loss	\$7,000	\$4,507	\$10,000	\$0	\$0	\$0	\$21,507	\$3,000	\$1,000	\$25,507
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Nonroutine Expenditures	\$67,000	\$229,507	\$70,000	\$0	\$15,000	\$0	\$381,507	\$33,000	\$7,000	\$421,507
TOTAL EXPENSES	\$1,236,646	\$1,292,047	\$1,083,740	\$750	\$251,458	\$919,313	\$4,783,953	\$713,499	\$511,822	\$6,009,274
OPERATING SURPLUS/(DEFICIT)	(\$418,505)	(\$404,510)	(\$278,092)	\$212,215	(\$66,627)	\$32,871	(\$922,648)	\$456,874	\$239,144	(\$226,630)
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$176,140)	(\$176,140)
Surplus/Deficit Before Reserve Appropriations	(\$418,505)	(\$404,510)	(\$278,092)	\$212,215	(\$66,627)	\$32,871	(\$922,648)	\$456,874	\$63,004	(\$402,770)
57 Reserve Appropriations - Operations/Tra	\$48,000	\$58,000	\$16,000	\$0	\$21,000	\$0	\$143,000	\$0	\$0	\$143,000
Surplus/Deficit Before Capital Expenditures	(\$370,505)	(\$346,510)	(\$262,092)	\$212,215	(\$45,627)	\$32,871	(\$779,648)	\$456,874	\$63,004	(\$259,770)
58 Capitalized Items/Development Projects	\$0	(\$10,000)	\$0	\$0	\$0	\$0	(\$10,000)	\$0	(\$350,000)	(\$360,000)
59 Revenue - Capital Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60 Reserve Appropriations - Capital	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$0	\$350,000	\$360,000
Surplus/Deficit	(\$370,505)	(\$346,510)	(\$262,092)	\$212,215	(\$45,627)	\$32,871	(\$779,648)	\$456,874	\$63,004	(\$259,770)

FY14 Budget - Supporting Schedule for Housing Development Capital Expenditures
January 1, 2014 through December 31, 2014

Project	Funding Source	Total	Loans	HUD CFCF Grant	MTWCFP	MTWRHF	State & Local Grants	Reserves & Program Income	HTF
Hillside Terrace Redevelopment - All phases									
THA - MTW (CFP)		-	-	-	-	-	-	-	-
THA - CFP RHF		-	-	-	-	-	-	-	-
Hillside CFCF grant		-	-	-	-	-	-	-	-
City of Tacoma Bond		-	-	-	-	-	-	-	-
HTF		-	-	-	-	-	-	-	-
TCRA		-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-
LASA									
HOME Funds		235,288	-	-	-	-	235,288	-	-
2163 Funds		525,784	-	-	-	-	525,784	-	-
HTF		3,797,678	-	-	-	-	-	-	3,797,678
TOTAL		4,558,750	-	-	-	-	781,072	-	3,797,678
RAD Conversion									
Capital Funds		1,000,000	-	-	1,000,000	-	-	-	-
TOTAL		1,000,000	-	-	1,000,000	-	-	-	-
Scattered Sites (complete work started in 2012)									
Capital Funds		-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-
Wedgewood Renovations									
Bond Financed Property Reserves		350,000	-	-	-	-	-	350,000	-
TOTAL		350,000	-	-	-	-	-	350,000	-
THA Admin Bldg Continued Renovations									
THA Program Funds		700,000	-	-	-	-	-	700,000	-
TOTAL		700,000	-	-	-	-	-	700,000	-
THA Family Investment Renovations									
THA Program Funds		300,000	-	-	-	-	-	300,000	-
TOTAL		300,000	-	-	-	-	-	300,000	-
New Look Apts. - Purchase of General Partnership									
THA - MTW Funds		375,000	-	-	375,000	-	-	-	-
TOTAL		375,000	-	-	375,000	-	-	-	-
Grand Total Capital Expenditures:		7,283,750	-	-	1,375,000	-	761,072	1,350,000	3,797,678

2014 Sequestration Decision Points

	Sequestration Amount	R/N	Priority	Reinstatement Priority	Department	Impact
Agency Surplus - 2014 Budget	(\$41,300)					
HOP subsidy to bring additional families onto program	\$219,150	R	H	1	Rental Asst.	Maintains HOP Vouchers at 2013 level, and does not bring on additional families in 2014.
Raises effective 07/01 - OPEIU & Non Rep	79,600	R	H	2	Agency Wide	If THA were to budget for Variable Pay but not base pay increases, it might cause staff to reject the variable pay to ensure that everyone gets something. That's what happened in KCHA.
Raises effective 07/01 - Maintenance	6,600	R	H	2	Agency Wide	We should do the same for Maintenance as we do for others this year.
Case Worker Position	60,000	R	H	3	CS	Would reduce if not needed for HOP conversion assistance
Salishan Core Planning	70,000	N	H	4	Dev	Would allow us to continue planning for facility
Leadership Team Development - Cabinet & Mid managers	\$30,000	R	H	5	HR	Leadership training is needed at all levels of the organization. Reinstating this would allow me to begin work on the Director level specifically next year.
Quality Assurance Contracting	\$35,000	N	H	6	Admin	Would provide higher level of review of THA work product
Salary Repositions	\$15,000	R	H	7	Executive	Would limit ability to reposition staff in 2014, if needed
Wellness	\$5,000	R	H	8	HR	The wellness program funding has been reduced due to budget cuts. In order to sustain and grow this program, we need this money.
Contract Maintenance - General Contract	\$10,000	N	M	9	REM&HS	Allow for work at 902 & FIC over standard maintenance
Overtime Request	\$6,000	R	M	10	Admin	Overtime for IT non-represented staff who might have to work off hours due to emergency issues.
Staff Training	\$10,000	R	M	11	Admin	Would provide more opportunities for staff growth.
COBRA Administration	\$2,000	R	M	12	HR	
HR Intern	\$2,000	N	M	13	HR	This position is needed for project implementation work. Otherwise projects will not move as fast as we need them to.
Credit Counseling Contract	15,000	N	M	14	CS	
Inventory Management Specialist	\$64,970	N	M	15	REM&HS	This position would maintain inventory management system designed to create efficiencies for maintenance.
Staff Training	\$30,000	R	L	16	REM&HS	Staff training was increased in 2014. Would provide staff additional opportunities for training and networking.
Automated Onboarding	\$7,500	R	L	17	HR	This cost is rolled into the potential payroll conversion spearheaded by Finance. If this does not occur, it would move it to H status on the list.
Contingency Line Item	\$15,000	N	L	18	Admin	
Early retirement incentives	\$175,000	N	L	19	HR	Having re-examined the potential terms of the program, it is better for us to wait to do this in 2015
Wellness - treadmill and desk treadmill	\$3,200	N	L	20	HR	This is extra expense to be added to the budget for remodeling the 902 2nd floor.
Homeownership Downpayment Assistance Program	\$75,000	N	L	21	CS	Could be rolled into FSS paypoints
Fencing - Salishan - Area 2B	17,000	R	L	21	Dev	Due to cost benefit analysis of fencing, development has determined it is not needed.
902 South L - Continue renovation	700,000	N	L	21	Agency	Will not move forward on if sequestration occurs
FIC & Maintenance Building Renovations (\$100K Carryover)	\$300,000	N	L	21	Agency	Will not move forward on if sequestration occurs

Thinning the Soup - HCV Vouchers	\$1,092,000	R	L	21	Rental Asst.	2014 Savings based on a 12 month implementation. Total annual savings is \$1.8 million
Sequestration Totals	\$3,003,720					